RAJYA SABHA

Wednesday, the 26th February, 1986/ 7th Phalguna, 1907 (Saka)

The House met at eleven of the clock **Mr. Chairman** in the Chair.

ORAL ANSWERS TO QUESTIONS

Purchase of Westland helicopters

@*41. SHRI M. KADHARSHA: Will the Minister of TRANSPORT be pleased to state:

(a) whether it is a fact that Government have decided to purchase Westland helicopters for the Oil and Natural Gas Commission;

(b) if so, what are the details in this regard;

(c) whether it is a fact that the UK Government have instituted an enquiry into the affairs of the Westand Company:

(d) whether Government propose to revise their decision in the light of such an enquiry; and

(e) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF CIVIL AVIATION (SHRI JAGDISH TYTLER): (a) Negotiations for the purchase of Westland helicopters are being concretised.

(b) Does not arise.

(c) Government has no information about this.

(d) and (e) Do not arise.

@Starred Questions Nos. 41 and 50 were taken together.

Purchase of Westland helicopters

@*50. SHRI SURESH KALMADI:† SHRI DHARAM CHANDER PRASHANT:

Will the Minister of TRANSPORT be pleased to state:

(a) whether the Minister of State for Civil Aviation has stated in the Rajya Sabha on the 18th December, 1985 to the effect that no decision has been taken regarding the Westland helicopter for the Helicopter Corporation of India whereas at a press conference on the 24th December,1985, he had stated that the Corporation was going helicopters;

(b) if so, when the decision in this regard was taken;

(c) in what manner the manufacturers of Westland helicopter met the objection raised by the Prime Minister in the House on 2nd May, 1985 to the effect that the single engine performance was poor and maintenance costs were high;

(d) whether the major defects are to be rectified in a short period of three months; and

(e) whether there is any proposal to buy the Westland Company itself and transport the entire unit to India?

THE MINISTER OF STATE IN THE DEPARTMENT OF CIVIL AVIATION (SHRI JAGDISH TYTLER): (a) On the 18th of December,1985 it was stated that evaluation of helicopters was under process. On the 24th of December I stated that the negotiations for purchase

@Starred Questions Nos. 41 and 50 were taken together.

†The question was actually asked on the floor of the House by Shri Suresh Kalmadi.

of 21 Westland helicopters were being concretized.

(b) Does not arise.

(c) and (d) After discussions and test flights by a team of technical experts, M|s. Westland have satisfied the Government that the shortcomings relating to zero risk factor in the event of an Engine failure during take off and that of payload penalty have been overcome.

(e) No, Sir.

SHRI M. KADHARSHA: Sir, the Westland helicopter company is in doldrums. It is the last surviving helicopter manufatcurer in Britain. It was in financial crisis and the British Prime Minister and the Trade Minister opted to sell the major share to the American helicopter company. I am only reminded of the proverb that beastly animals have free entry where angles fear to tread. Even the British Government is going in for American helicopters. What is the wisdom in placing orders on the Westland helicopter company by the Government?

SHRI JAGDISH TYTLER: As per the reports received from the Indian High Commission in U.K., Messrs. Sikorsky of USA and Messrs. Fiat of Italy are having limited quantity of Westland shares. Our High Commissioner in London has confirmed that association of Messrs. Westland with other firms would not result in any set-back to Westland manufactured series of helicopters which is of interest to India. The restructuring is intended to provide larger capital base and a strong financial viability to Messrs. Westland and, therefore, we need not have any apprehensions on this score. The High Commissioner confirmed that association of Messrs. Westland with other firms would not result in any set-back to Westland manufactured series of helicopters that are of interest to the Government of India. The restructuring is intended ot provide alrger capital base and stronger viability and the question of Government of India losing does not arise becasue this is coming as a part of aid and we are not spending even a pie.

SHRI M. KADHARSHA: In reply to part (c) of question No. 41, the Minister has said that he has no information about the enquiry being held in Britain. Sir, it is described as a big scandal in Britain and the Thatcher Government itself is on the verge of defeat. Their two Ministers had to resign from the Cabinate mainly because of the Westland helicopter scandal. I would like to know whether the Government has made any study and whether the Government is aware ofthe financial crisis of Westland helicopter company. What were the talks held at the last meeting between the Prime Minister of India and the British Prime Minister?

I would like to know whether there was any discussion about this.

SHRI JAGDISH TYTLER: Sir, I think I have answered this question.

MR. CHAIRMAN: He wants to know whether there was any discussion between the Brtiish Prime Minister and our Prime Minister on this matter. This is the only additional point he has raised.

SHRI JAGDISH TYTLER: I would not know of this.

SHRI SURESH KALMADI: Sir, his answer is absolutely wishy washy. Great impropriety has been committed by not taking Parliament into confidence. Repeatedly in December, we asked whether this Westland helicopter deal is coming through. The reply we got was that 'this is under consideration'. But soon after the Parliament Session was over, three days after that, he said in a Press conference on 24th December that India has finally decided to obtain 21 helicopters from Westalnd of Britain. and that the agreement will be concluded in February. The British Press knows it. The Indian Press knows it. The Indian Minister is giving it out to the Press. But Parliament has not been taken into confidence. Even today, he has said in his reply that the deal is being concretised. Even now, he

is trying to hide the facts from Parliament. The Prime Minister has said in reply to my question. The hon. Minister has said that we do not have to spend a pie. The Prime Minister has said that even if we get it free, we will not be going in for these helicopters because the single engine performance is bad and secondly, the 65, million or the 85 million pounds which we will get will be nullified over the next four or five years because of the poor maintenance cost of these helicopters .Mr. Alan Bristow wo bid for the company for 85 million pounds has withdrawn his bid. Now, we are going in for 21 helicopters of this company and we will be spending Rs. 10 crores over this. Sir, I would also like to tell you in this connection, what the Westland Chairman himself has said. He has himself admitted that this company has no financial and teachnical base. The British Government subsidy of 40 million pounds is going to be written off. The motive of the British Government is very clear in giving us aid. Otherwise, they will have to write off 40 million pounds. This has been said by the Chairman of this company himself.

MR. CHAIRMAN: Mr. Kalmadi your two minutes are over.

SHRI SURESH KALMADI: Sir, I have taken only one minute and forty seconds.

MR. CHAIRMAN: Your watch is wrong. My electric watch is correct.

SHRI SURESH KALMADI: Now, the hon. Minister has said that American Sikorsky company is going to take this company over. I do not konw what we are going to do. But I would like to point out what the Vice-President, Mr. Colin Green has said. He has said that the whole company's formation and the development of the W-30 helicopters was a huge mistake. This is what the company which is taking over Westland has said.

Now, Sir, I would like to know from the hon. Minister whether the Government intends to reconsider the entire deal, whether they would renegotiate the entire deal. Then, if we are going to sign an agreement for an aid of 85 million pounds why don't we buy the whole company? For 85 million pounds, you can buy the whole company, transfer the whole unit out here. Why don't you do it?

SHRI J. K. JAIN: Sir, is he participating in a debate? (*Interruptions*)

I am sorry to bring to your notice.

MR. CHAIRMAN: Mr. Jain. I am in control of the House. I know what time to allow to what Member and for what purpose .

SHRI J. K. JAIN: You have restricted it to two minutes. I thought I would bring it to your notice.

MR. CHAIRMAN: It is my privilege to give more than two minutes.

SHRI JAGDISH TYTLER: Sir, my friend has raised...

MR. CHAIRMAN: He knows a lot of things.

SHRI JAGDISH TYTLER : I would like to tell him that he is the most illinformed about the hole thing because what he has said is not the right thing. Also, what I have read out was from the report from our High Commissioner, wherein he has said that nobody is taking over this company, the Sikorsky company which he has mentioned. Today, the Westland is financially more sound.

Coming back to the accusation made by him about my statement in the Rajya Sabha and about what I had said soon after the Parliament Session was over I would like to tell him, that I stand by what I had said in the Rajya Sabha. On the 19th and 20th the Westland people came and the negotiations started. In the Press conference which I addressed in my chambers on the 24th December, I had indicated that the Department of Civil Aviation has sub-stantially concretised it through negotiations. As I said, negotiation started only on the 19. It was not right as he has tried to suggest that I tried to hide the facts.

And I stand by what I said after the Parliament Session was over. We got the people from Westland Company. They were in India from 19th onwards. That is where the negotiations were started and that is what the Department of Civil Aviation has concertised through negotiations. Negotiations were gone through, for various terms of acquisition of 21 Westland 30 helicopters. The action to see other clearnances. including Cabinet approval is in hand.

Now the second point is about the Prime Minister's suggestion. It is true that the Prime Minister did mention in May 1985 during a discussion on the External Affairs Ministry that these helicopters did not meet our specific requirements.

SHRI SURESH KALMADI : No, on the floor of this House.

SHRI JAGDISH TYTLER: am saying that. Don't get excited. I have got answer for every thing.

MR. CHAIRMAN: Mr. Kalmadi, please don't disturb.

SHRI SURESH KALMADI: I am excited because of tax-payers money.

SHRI JAGDISH TYTLER: That is the whole thing.. First listen to me and then come to the tax-payer's money.

The Prime Minister did mention that and two things came out the zero risk during take -off, i.e. one engine failure and the second, it was found that weight penality was imposed due to limitation of maximum take-off weight resulting in reduction of pay-load by one passenger. These are the two things which the Prime Minister had mentioned. Now, Sir, about evaluation, in September 12, 1985 and 21st November, 1985, flight tests were carried out by a technical team consisting of representatives of DGCA Indian Air Force Indian Airlines and the Helicopter, Corporation. This is one of the best exper teams we have in the country. And the team observed.(1) Westland 30 is considered well within the limits to perform from a zero risk for a take-off from a helicopter rig in case of engine failure; (2) (2) Westland can carry a minimum pay-load requirement of 10 passengers for a standard machine profile; and (b) Westland more than meets the requirment laid down by the ONGC which calls for transportation of 10 passengers over a distance of 100 nautical miles and return in case of failure to land with reserve fuel for 45 minutes flight; in practice it will be able to carry 12 passengers with instrument flight rules and 13 passengers with visual flight rules. The helicopter can handle this and cockpit environment is good.

The third question that comes is that tax-payer's money is going to be used. And the Prime Minister also mentioned that the cost is about 65 million pounds and that we are going to go in for loss of operational cost. I would like to tell you that on the basis of the statement that the Prime Minister made in this House, the British Government and the Westland Company came with an offer of another 10 million pounds. So, 10 million pounds is the operational cost for the life cycle of the helicopter-i.e. 20 years. That means that we will not be spending a pie except for the petrol.

MR. CHAIRMAN: Shri Prashant.

SHRI SURESH KALMADI: Sir, my second supplementary.

MR. CHAIRMAN: I will tell you, when I club two questions, you get only one supplementary. Otherwise I would not have taken up two questions together.

SHRI SURESH KALMADI: I have one more supplementary. Please check up.

MR. CHAIRMAN: No, no. Mr. Prashant.

SHRI SURESH KALMADI: Whenever questions are clubbed, we get the second supplementary also. I seek protection from you. Sir, this is not the way.

MR. CHAIRMAN: plase sit down. Your question would not have been reached at all. It is as a privilege I gave you. You have only one supplementary.

SHRI SURESH KALMADI: We cannot accept that.

MR. CHAIRMAN: No, nothing will go on record except what Mr. Prashant says. Yes, Mr. Prashant.

SHRI DHARAM CHANDER PRASANT: I would like to ask the hon. Minister that the helicopters which we are going to purchase weight 6 tonnes and its cost will increase when the price of oil is increased. Has that been taken into consideration?

SHRI JAGDISH TYTLER: The helicopters we are getting free so far as Westland is concerned. And even the deal which we have done with the French Government is one of the best in the world. As far as cost of operation is concerned, nobody can do that and what the helicopter has to consume of petrol, it will consume.

श्री रामानन्द यादव : क्या सरकार यह बतायेगी कि प्लानिंग कमीशन ने भी सिविल एविएशन की मिस्ट्री के प्रोजेक्शन को रिजेक्ट किया है और यह कहा है कि 20 हेलीकाप्टर से काम चल सकता है ? क्या यह बात भी सही है कि ओ एन जी सी ने भी आब्जेक्शन किया है कि वैस्ट लैंड हेलीकाप्टर्स सेफटी रिक्वायरमेंटस के लिये, लैंडिंग वेट क्योंकि ओ एन जी सी की लिमिट से ज्यादा है और वह वहन नहीं कर सकता और कास्टाली मोडिफिकेशन रिग में करना पड़ेगा और वेस्टलैंड मशीन मोडिफाइड है आफटर ए क्रैश और साथ ही it is certified for limited life of 200 hours on tail rotor and and pitch change rod and suffers from other constraints. It is under-powered and cannot take off vertically with full load. It requires a certain runway length depending on load, altitude and temperature.

(*Interruptions*)

SHRI DIPEN GHOSH: If you are in the helicopter, it will not take off.

श्री रामनन्द यादव : क्या यह बात सही है कि इसकी आपरेशनल कास्ट ओ एन जी सी को बहुत अधिक पड़ेगी ? क्या यह बात भी सही है कि किसी भी विभाग को केवल आर्मी एक्सपर्टस के सिवाय इस हेलीकाप्टर के संबंध में नालिज नहीं है और आर्मी के एक्सपर्टस ने इसको रिजेक्ट किया है ?

SHRI JAGDISH TYTLER: No, Sir, I think it is relating to an article which appeared recently, but the Planning Commission has not rejected..... .... (*Interruptions*).... And the present rigs which have a helipad are much stronger. Helicopters twice the weight are already landing.... (*Interruptions*).

MR. CHAIRMAN: The Minister will address the Chair.

SHRI JAGDISH TYTLER: Sorry, Sir. The helicopters which are now operating at the rigs are twice the weight of Westland and these has not been any report that there has been a crash. As far as the helicopter's take-off is concerned, it takes off vertically and it does not need much space to take off. As far as his point that the life of the tail rotor is only 200 hours is concerned, that is not correct.

SHRI RAMANAND YADAV: What about the cost of operation?

MR. CHAIRMAN: Mr. Jaswant Singh.

SHRI JASWANT SINGH: Sir, I am touched by the honourable Minister's efforts to convince us that the financial health of Westland Helicopters is not something that the Indian Parliament should worry about, but it is a matter of some difference to me whether the financial health of Westland is sound or unsound. I would also not even pretend to match the honourable Minister's abilities to technically assess whether it is a sound purchase or an unsound purchase. But, nevertheless, there is now a smell surrounding Westland and that smell surrounds Westland helicopters not only in the U. K. but also in India and it is because of that smell that these queries arise both in the U.K. and in India. The honourable Minister has said that the proposal is being concretized. It is my hope that this does not mean that he is pouring concrete on the proposal, rather, that he is constructing a purchase. There is

also a mention by the honourable Minister that he has recently received a report from our High Commissioner in London. That is very disturbing and that leads to one or two clarifications that I would like the honourable Minister to answer. If it is recently that the Government has received the report from the High Commissioner, are we, therefore, to assume that the Government was unaware, all these months during which the negotiations were proceeding, of the impending changes in the capital structure of the Westland company. (a) If so it is a highly disturbing situation. (b) What is the total quantum in rupee terms or in pound terms of the aid which the British Government has pledged with the Westland helicopters' purchase? Is it correct that there is a time limit for this aid within which if we do not purchase these helicopters, the British Government has expressed its right to shift the aid to some other purpose. What is the time-limit? By when do you expect, by when does the Government of India expect to complete its assessment of the financial help, the technical capability etc.? When do you intend to place the order?

SHRI JAGDISH TYTLER: First of all, Sir, the Government of U.K. would provide us a grant of 65 million pounds under the overseas development aid. M|s. Westland will make a single lump sum payment of 10 million pounds as operative subsidy. That will take care of the operational need up to 20 years' life span of the helicopters.

The second thing is that I have just spoken about the condition of the Westland company with the people who have recently bought its shares. The financial position of the company is sound.

SHRI JASWANT SINGH: Would the Minister yield for a moment, sir?

MR. CHAIRMAN: I am going to ask for clarification. I have taken note of what you have asked.

What the hon. Member wanted is this, You said, "Recently I have received a report from the High Commissioner." Does it mean that your Government did not know the earlier position of the Westland company, its financial position etc.? What is the meaning of the word "recently"?

Is that right?

SHRI JASWANT SINGH: That is right.

SHRI JAGDISH TYTLER: We have been in touch with it. What I read out was the latest position of the company.

MR. CHAIRMAN: Recently means latest.

SHRI JAGDISH TYTLER: We were aware of what was happening.

MR. CHAIRMAN: It says, "The latest report."

SHRI JASWANT SINGH: I appreciate that it is the latest report. My querry is quite specific. Because all the references were made only to the lastest one, it perhaps shows that the Government is aware of the problem. I would like to be assured that the Government was aware all along during the negotiations that both the British Government and the Westland company were intending to transform, in fact making transformation of the ownerships of its capital structure.

SHRI JAGDISH TYTLER: We were aware of what was going on.

SHRI VISHWA BANDHU GUPTA: Sir, in this matter of the helicopter, I think there is need for the Government of India and the Ministry to have the most vigilance with regard to the financial position of the Westland company. On that there is no dispute. I think that the Minister is aware of this situation. Sir, I would like to know whether, when these negotiations were carried on, there was any negotiation on the manufacture of these helicopters or their parts in our country because in all big deals that we have made, we have specifically made this condition for any collaborations that we should get the manufacturing rights and then a buy back situation.

The second point that Mr. Kalmadi had raised, I would like to re-emphasis. I think there is something in it. Was it possible for us to buy, let us say shares of the Westland company as a part of this large deal that you are trying to make?

SHRI JAGDISH TYTLER: It is too late to buy the shares. May be it was possible.

SHRI VISHWA BANDHU GUPTA : He has not answered my question.

MR. CHAIRMAN: The first part of the question you have not answered. The first part is: Have you any manufacturing right?

SHRI JAGDISH TYTLER: No, we are not having any manufacturing right.

MR. CHAIRMAN: Next question, No 42.

SHRI RAJESH PILOT: He did not get up.

MR. CHAIRMAN: Now you got up.

SHRI RAJESH PILOT: Thank you very much for bringing the mood of the House from air to ground. And Mr. Kalmadi is also back.

MR. CHAIRMAN: You mean he has come from air to ground.

AN HON. MEMBER: Let him not take us under the sea.

SHRI RAJESH PILOT: We are still on the ground, Sir. We are not going to sea yet.

DTC fares

*42. DR. C. SILVERA: Will the Minister of TRANSPORT be pleased to state:

(a) whether Government are considering a proposal to allow the commuters to travel in the Delhi Transport Corporation buses upto 10 Kms. by paying 50 paise only; and

(b) if so, what are the details thereof and by when it is likely to be implemented?

THE MINISTER OF STATE IN THE DEPARTMENT OF SURFACE TRANSPORT (SHRI RAJESH PILOT): (a) No such proposal is under Consideration at present.

(b) Does not arise.

DR. C. SILVERA: The conceivable justification for a price hike is always needed for additional revenue.

Even while admitting that the D.T.C is a losing concern. you will also tend to agree with me that the whole burden should not be passed on to the commuters.

I find that the D.T.C. has projected its expenditure for the coming year at Rs. 307 crores, of which operational cost comes Rs. 173 crores. And with this hike the D.T.C. hopes to add about Rs.40 to Rs.50 crores to its coffers.

If you look at the new fare structure in some cases the commuters have to pay 300 per cent more. There is no denying the fact that the D.T.C. announced hike in bus fare after a lapse of six or seven years.

The fares prior to the hike were 30 paise upto 4 kilometres, 40 paise from 4 to 16 kilometres, 50 paise from 16 to 20 kilometers and 75 paise for all distance above.

MR. CHAIRMAN. What is your question?

DR. C. SILVERA: I am coming to the question.

MR. CHAIRMAN: Everybody knows fare has been raised. If you go on repeating, time will be lost.

DR. C. SILVERA: This, according to the new fare structure has become 50 paise upto 6 kilometres, a rupee from 6 to 16 kilometres and Rs. 1.50 for all distances above.

Previously deluxe buses used to charge a flat rate of Re. 1|- irrespective of the distance, but now it has been doubled.

In view of the heavy burden on the pockets of commuters and in order to rationa-